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S. HRG. 1097

NOMINATIONS OF MARY FALVEY FULLER AND SUZANNE DENBO JAFFE

HEARING

BEFORE THE

COMMITTEE ON FINANCE
UNITED STATES SENATE

NINETY-EIGHTH CONGRESS

SECOND SESSION

ON THE

NOMINATIONS OF

MARY FALVEY FULLER AND SUZANNE DENBO JAFFE TO BE MEMBERS OF THE FOLLOWING THREE BOARDS:

—THE BOARD OF TRUSTEES OF THE FEDERAL HOSPITAL INSURANCE TRUST FUND, FOR TERMS OF FOUR YEARS, NEW POSITIONS;

—THE BOARD OF TRUSTEES OF THE FEDERAL OLD-AGE AND SURVIVORS INSURANCE TRUST FUND AND THE FEDERAL DISABILITY INSURANCE TRUST FUND, FOR TERMS OF FOUR YEARS, NEW POSITIONS; AND

—THE BOARD OF TRUSTEES OF THE FEDERAL SUPPLEMENTARY MEDICAL INSURANCE TRUST FUND, FOR TERMS OF FOUR YEARS, NEW POSITIONS.

SEPTEMBER 21, 1984

Printed for the use of the Committee on Finance

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NOMINATIONS OF MARY FALVEY FULLER AND SUZANNE DENBO JAFFE

FRIDAY, SEPTEMBER 21, 1984

U.S. SENATE,
COMMITTEE ON FINANCE,
Washington, DC.

The committee met, pursuant to notice, at 9:43 a.m., in room SD–215, Dirksen Senate Office Building, Hon. Robert J. Dole (chairman) presiding.

Present: Senators Dole, Roth, Danforth, Chafee, Symms, Long, Moynihan, Bradley, and Mitchell.

Also present: Mr. Bruce Thompson, Jr., Assistant Secretary of the Treasury for Legislative Affairs.

[The press release announcing the hearing, Senator Dole's statement, and the résumé of Mary Falvey Fuller and Suzanne Denbo Jaffe follow:]

[Press Release No. 84–178, Sept. 18, 1984]

FINANCE COMMITTEE SETS HEARING ON THE NOMINATIONS OF MARY FALVEY FULLER AND SUZANNE DENBO JAFFE

Senator Robert J. Dole (R., Kans.), Chairman of the Committee on Finance, announced today that the Committee would conduct a hearing and then meet in executive session on Friday, September 21, 1984, on the nominations by President Reagan of Mary Falvey Fuller and Suzanne Denbo Jaffe to be Members of the following three boards:

The Board of Trustees of the Federal Hospital Insurance Trust Fund, for terms of four years, new positions;

The Board of Trustees of the Federal Old-Age and Survivors Insurance Trust Fund and the Federal Disability Insurance Trust Fund, for terms of four years, new positions; and

The Board of Trustees of the Federal Supplementary Medical Insurance Trust Fund, for terms of four years, new positions.

The hearing will commence at 9:30 a.m. in Room SD–215 of the Dirksen Senate Office Building.

Mary Falvey Fuller, of San Francisco, California, is an independent management consultant specializing in business planning, finance and product/market strategy and in technology-based and financial services industries. She was vice president of finance for the Shaklee Corporation in 1981–1982. She graduated from Cornell University (B.A., 1963) and Harvard Business School (M.B.A., 1967). She was born October 28, 1941 in Detroit, Michigan.

Suzanne Denbo Jaffe, of New York, New York, is Deputy Comptroller of New York State, Division of Investments and Cash Management. Previously, she was executive vice president of Lehman Management Company, Inc., in 1982–1983 and with Century Capital Associates in 1971–1981. She graduated from the University of Pennsylvania (B.A., 1965) and New York University (M.A., 1967). She was born April 17, 1943 in Washington, D.C.

STATEMENT OF SENATOR DOLE, NOMINATIONS OF SUZANNE DENBO JAFFE AND MARY FALVEY FULLER

Mr. President, I am pleased to report the recommendation of the Committee on Finance that the Senate gave its advice and consent to the nominations of Suzanne Denbo Jaffe of New York and Mary Falvey Fuller of San Francisco, California. These individuals have been nominated for the two public member positions on the Board of Trustees of the OASDI, HI, and SMI Trust Funds. These are new positions created by the Social Security Amendments of 1983 and are the result of a recommendation by the National Commission on Social Security.

It was the Commission's belief that by increasing the membership of the Board of Trustees of the OASDI, HI, and SMI Trust Funds to include two individuals from outside the executive branch, the confidence in the integrity of the trust funds and in the investment procedures used by the trustees would be enhanced.

I am pleased to note that, following the pattern of recent nominations considered by the committee, President Reagan again has chosen persons of fine qualifications to carry out the Government's responsibilities in these new positions for which each has been nominated.

Since 1983, Ms. Jaffe has been the Deputy Comptroller of the State of New York, Division of Investments and Cash Management. Ms. Jaffe has a long history of having held important positions with companies whose focus was on the management of large investment accounts.

Prior to taking on her current responsibilities, she held the position of executive vice president for the Lehman Management Co., Inc. from 1982–1983, which was in turn perceived by a position with Century Capital Associates in 1971–1981. Ms. Jaffe was born in Washington, D.C. and graduated with a B.A. from the University of Pennsylvania and an M.A. from New York University.

Ms. Fuller has been an independent management consultant specializing in strategic and business planning, finance, and product/market strategy since 1982. Prior to that time, she held the position of vice president for finance for the Shaklee Corporation from 1981–1982. Ms. Fuller also served as the senior vice president and director of Blyth Eastman Dillon and Company, Inc. from 1978–1980.

Clearly both Ms. Fuller and Ms. Jaffe are qualified to hold these important positions and it is an honor for me to recommend that my colleagues approve these nominations.

MARY FALVEY FULLER
2584 Filbert Street
San Francisco, California 94123
Phone: (415) 931-0552

EDUCATION

Master of Business Administration, Harvard Business School, 1967.
Bachelor of Arts, with honors in Economics, Cornell University, 1963.

PROFESSIONAL EXPERIENCE

Present — Independent Management Consultant specializing in strategic and business planning, finance, and product/market strategy technology-based and financial services industries. Examples of specific projects include:

- For a subsidiary of a major global bank, assisted in establishing the annual strategic planning process.
- For a diversified financial services company, assessed opportunities to distribute its products through thrift institutions; recommended a strategy for serving this market; evaluated a potential acquisition.
- For a technology financing company, assisted in establishing national distribution for its retail investment products, evaluating specific investment opportunities and identifying potential corporate equity investors. Named to Board of Directors in October, 1983.
- For several software companies, assisted in specific areas such as business plans, marketing and distribution strategy, organization and financing.

1981-1982 SHAKLEE CORPORATION, 444 Market Street, San Francisco

Vice President, Finance. Responsible for treasury, corporate planning, fleet operations, and administrative services. Company manufactures and distributes nutritional, household, and personal care products; operated in the U.S., Canada, Japan, and the United Kingdom; 1981 sales were about $450 million.

1980-1981 M.C. FALVEY ASSOCIATES, INC., 333 East 68 Street, New York

Independent Management Consultant. Assisted a major retailing company in expanding its participation in the consumer financial services business.

1978-1980 BLYTH EASTMAN DILLON & COMPANY, INC., 80 Pine Street, New York

Senior Vice President and Director. Member of Executive and Operating Committees. Head of Administration Division, which included operations, data processing, treasury, human resources, planning, and general services. Direct responsibility for approximately 650 people, $29 million costs, $55 million interest income, $1.2 billion of customer and firm securities; functional responsibility for about $25 million in communications, purchasing, and printing expenses.

- Implemented money management and cost reduction programs with estimated savings of $4 million for 1979 and $8 million in 1980.
- Implemented programs to improve service to branches, customers, and traders.
- Directed a comprehensive study of the firm's compensation and benefits program.
- Developed the firm's first four-year business plan.

1975-1978 CITIBANK, N.A., 153 East 53 Street, New York

Vice President. Held three assignments in the Investment Management Group (which includes personal and institutional investment management and asset servicing--domestic and international).

1977-1978. Head of Asset Servicing Division. Responsible for product development, marketing, sales, and customer service for custody, master trust, portfolio recordkeeping and clearance products. Direct responsibility for approximately 250 people, $25 million in revenues, and about $4 million in costs.

1975-1977. Head of Group Management Office (about 65 people). Responsible for planning, financial control, budgeting, accounting, office services, and all other staff functions of the group. Worked with group head on issues of organization, policy, and business strategy; installed formal process to review monthly financial and business performance of each of five divisions; managed three annual five-year planning cycles.

1975 (February to November). Special Project, reporting to Group Head. Managed task force to develop the group's first five-year plan.

1967-1975 McKINSEY & COMPANY, INC., 245 Park Avenue, New York

Management Consultant. Senior Engagement Manager, with responsibility for advising corporate executives on major strategic and operating problems. Worked with U.S. and European companies--ranging from $100 million to $8 billion in sales--in the manufacturing, distribution, banking, retailing, and insurance industries, and for U.S. and New York City governments. Projects for last three years focused on bringing about change in clients' strategic direction and organizational capabilities to adapt to major change in the competitive business and regulatory environment--primarily in industries involved with telecommunications and computer technology. Also managed projects to improve profitability by making sound and well-timed capital investments, and by strengthening organization structure, planning process, and information systems.

1963-1965 IBM CORPORATION, 555 Madison Avenue, New York
Summer 1966

Systems Engineer. Responsible for designing, marketing, and managing the installation of computer systems for customers in diverse businesses. Worked primarily with on-line systems and information systems for management decision-making.

PROFESSIONAL ACTIVITIES

Current
National Commission on Social Security Reform.
Technology Funding, Inc.: Board of Directors.
Falvey Autos, Incorporated (Troy, Michigan): President and Director.
San Francisco Performances: Board of Trustees.
Commonwealth Club of California: Program Committee.
Cornell University Council: Administrative Board.
Mills College: Administration and Legal Processes Advisory Council.

1979-1980
1979 Advisory Council on Social Security.
President Reagan's Transition Task Force on Social Security.

PERSONAL DATA

Born October 28, 1941. Married. Excellent health.

Telephone --
Business: (212) 587-5028
Residence: (212) 860-9020

Suzanne D. Jaffe
Deputy Comptroller
New York State
270 Broadway
New York, New York 10007

PROFESSIONAL EXPERIENCE:

May 1983 - Present	NEW YORK STATE Deputy Comptroller, Division of Investments and Cash Management.
September 1982 - April 1983	LEHMAN MANAGEMENT CO., INC. - Executive Vice President. Investment advisory subsidiary of Lehman Brothers Kuhn Loeb. Board of Directors; Member of Investment Policy Committee; Portfolio Manager.
March 1982 - August 1982	HIGHLAND CAPITAL CORP. - Vice President. Mutual Fund. Portfolio Manager; Analyst.
October 1971 - December 1981	CENTURY CAPITAL ASSOCIATES - Partner. Investment advisory firm. Member of Investment Policy Committee; Portfolio Manager; analyst. Client liaison responsibility.
September 1969 - September 1970	STANDARD & POOR'S/INTERCAPITAL, INC. Investment advisory firm. Member of the Investment Committee; Special situations analyst.
July 1968 - August 1969	L. M. ROSENTHAL & COMPANY. Brokerage firm. Analyst with special situations orientation. Assistant administrator of mutual fund.
June 1967 - June 1968	TIME, INC. Time - Life Books Division. Picture researcher, responsible for coordinating pictures with text.

EDUCATION

1965 - 1967	NEW YORK UNIVERSITY. Institute of Fine Arts. Master of Arts (MA). History of Art.
1961 - 1965	UNIVERSITY OF PENNSYLVANIA. Bachelor of Arts (BA). History of Art. Dean's List. Secretary of Senior Class.

ACTIVITIES/MEMBERSHIPS

- ECONOMIC CLUB OF NEW YORK, Member, Chairman, Reception Committee
- FINANCIAL WOMEN'S ASSOCIATION, Board Member; Chair, Membership Committee
- FORDHAM UNIVERSITY, Member, Board of Trustees
- COLUMBIA UNIVERSITY GRADUATE SCHOOL OF BUSINESS - Accounting Advisory Board
- INVESTOR RESPONSIBILITY RESEARCH CENTER - Board Member
- CHILDREN'S AID SOCIETY - Advisory Board
- PLANNED PARENTHOOD OF NEW YORK CITY, Former Board Member - off 6/83
- COUNCIL TO ADVISE DEMOCRATS IN STATE SENATE
- UNIVERSITY OF PENNSYLVANIA, Secondary School Committee, N.Y.C.
- NEW SCHOOL FOR SOCIAL RESEARCH - Lecturer

The CHAIRMAN. Let me welcome our two nominees and their families and friends. This is the first time the committee has had an opportunity to review nominations for the two public members of the Board of Trustees of the OASDI, HI, and SMI trust funds. As my colleagues will recall, these positions were created by the Social Security Amendments of 1983 and are the result of a recommendation by the National Commission on Social Security.

It was the Commission's belief that by increasing the membership of the Board of Trustees of the OASDI, HI, and SMI Trust Fund to include two individuals from outside the executive branch, the confidence in the integrity of the trust funds and the investment procedures used by the trustees would be enhanced. I am pleased to note that following the pattern of recent nominations considered by the committee, President Reagan again has chosen persons of fine qualifications to carry out the Government's responsibilities in these new positions for which each has been nominated.

For the record, we have reviewed the financial disclosure forms of each nominee and the material that each has filed with Government Ethics. I am satisfied there are no problems in this area. I am going to ask our distinguished colleague, who is a member of the Commission and a member of this committee, Senator Moynihan, to introduce our nominee. Pat?

[The letters from the Office of Government Ethics follow:]

United States of America
Office of Government Ethics

Office of Personnel Management
Washington, D.C. 20415

SEP 21 1984

Honorable Robert Dole
Chairman, Committee on Finance
United States Senate
Washington, D.C. 20510

Dear Mr. Chairman:

Under the Ethics in Government Act, those Presidential nominees requiring Senate confirmation who are not expected to serve in their respective Government positions for more than 60 days in a calendar year are not required to file financial disclosure reports. The Act, however, does contain a provision in Section 201(b) which allows the Committee holding the confirmation hearing to request any additional financial information it may wish from the nominee.

You stated in your letter of February 11, 1982, that your Committee would request a financial disclosure report (SF 278) from part-time nominees whose names are referred to you by the President. Such a person is Mary Falvey Fuller, who has been nominated by President Reagan to be a public member of the Social Security Board of Trustees as established by the Social Security Amendments of 1983. Because Ms. Fuller is not expected to serve more than 60 days in any calendar year, the enclosed report and this letter are submitted to you in accordance with your Committee's confirmation procedures and will be available for public inspection only to the extent provided for by your practices. There is no authority under the Act for public release of this material by the Executive branch.

We have reviewed the report at your request and have obtained advice from the Department of the Treasury concerning any possible conflict in light of the Board's functions and the nominees proposed duties. Based thereon, we believe that Ms. Fuller is in compliance with applicable laws and regulations governing conflicts of interest.

Sincerely,

David H. Martin
Director

Enclosure

United States of America
Office of Government Ethics

Office of Personnel Management
Washington, D.C. 20415

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Chairman, Committee on Finance
United States Senate
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We have reviewed the report at your request and have obtained advice from the Department of the Treasury concerning any possible conflict in light of the Board's functions and the nominee's proposed duties. Based thereon, we believe that Ms. Jaffe is in compliance with applicable laws and regulations governing conflicts of interest.

Sincerely,

David H. Martin by L.O.
David H. Martin
Director

Enclosure

Senator MOYNIHAN. Thank you, Mr. Chairman. This is an especially pleasant moment, first to introduce someone who participated in the formulation of the proposal that there be public trustees to the Social Security Trust Funds, your former colleague on the Social Security Reform Commission, Mary Falvey Fuller. She is a happy choice indeed. Perhaps she hasn't thought of it, but she helped to create the job which she now is going to fill with such great distinction. She is well known to this committee and very favorably known.

Suzanne Denbo Jaffe is a native Washingtonian, but making her first appearance in a Federal position. She is deputy comptroller of the State of New York, responsible for the pension funds in the State of New York. I believe these funds are the largest pension funds of any State government—some $23 billion. This may not seem a very significant sum as we count them, actually, but the State has the money; it is in stocks and bonds and is accounted for. Ms. Jaffe has been active in financial management affairs with the Lehman Management Co. She is a graduate of the University of Pennsylvania and of New York University. Mr. Chairman, I commend both these trustees to you. If I may, I would like to make one point which I think ought to be on the record, and that is particularly important given the condition of the medicare funds in the immediate or prospective future—they would not be fiduciaries of the trust funds. It would be fund to be the first person in history to owe $3 trillion, but even so, we specifically exempted them from that concern.

Thank you for the pleasure and honor of introducing these distinguished women.

The CHAIRMAN. Thank you very much. Senator Moynihan has been urging for some time that we complete action on the nominations. We are very happy to do that. Ms. Jaffe, do you have a statement that you would like to make at this time?

STATEMENT OF SUZANNE D. JAFFE, DEPUTY COMPTROLLER, NEW YORK STATE, NEW YORK, NY

Ms. JAFFE. A very brief one. As Senator Moynihan has already said a little bit about my background, I am delighted to be here this morning. It is a great pleasure to be nominated by the President and to appear before this committee and to become one of the two public members of the Board of Trustees of the Social Security Trust Funds. I have spent 16 years in the investment community, all of it in New York, most recently as Senator Moynihan has said, I have served as the deputy comptroller for New York State. I am responsible for managing the $23 billion retirement funds of the State. In addition, I market all of the general obligation debt issued by the State, which you will appreciate, is the largest borrower after the Federal Government. In our retirement system in New York, we have about 800,000 active and retired members. In the normal course of meeting my responsibilities, I study a great deal of economic data, evaluate a lot of other analytical information going on in the world today. My investment objective has always been to earn a positive rate of return while minimizing risk. Throughout my career in both the private and public sectors, I have acted as a fiduciary, although I am delighted to learn that from

Senator Moynihan. I will not have to act in this capacity. I am really anxious to bring my expertise to the Board, and I look forward to working with you.

The CHAIRMAN. Let me just ask a couple of questions. I know the answers, but we would like to have them for the record. Have you discussed possible conflicts of interest with the committee's chief counsel, Mr. DeArment?

Ms. JAFFE. Yes.

The CHAIRMAN. Is there any reason of which you know that would prevent you from responsibly serving in the offices to which you have been nominated?

Ms. JAFFE. No.

The CHAIRMAN. I think you have just answered a question that I had. With your strong background in financial matters, how do you see this influencing the way you will approach a position of public trust? You sort of hinted that you were anxious to get involved in the workings of the trust fund and other areas. Now my question is, do you anticipate playing an active role in the development of the economic assumptions and financial objectives? Is that correct?

Ms JAFFE. Yes. I think that is what Congress intended, and I certainly don't expect to rubber-stamp what I see. I have lot of expertised resources in the area, and I intend to use them.

The CHAIRMAN. Senator Moynihan.

Senator MOYNIHAN. This is the first time in the history of the Social Security system that public trustees will have been appointed. How you proceed is going to have a great deal to do with how this function of public trustee develops. Let me ask you two questions. These questions may seem very mundane, but they have a great deal to do with the kind of role you are going to be able to play. First, what sort of budget and staff will you have? The existing trustees—the Secretary of the Treasury, the Secretary of Labor, and the Secretary of Health and Human Services—are persons at the pyramid of large organizations with great staff resources. Second, what will be your salary in this job? Has anyone spoken to you on that matter? The going rate on Wall Street—for this kind of work—would be about $1.5 million a year.

Ms. JAFFE. Based on performance?

Senator MOYNIHAN. All you have to do is get an average rate of return of Government bonds. Has anyone spoken to you on this matter?

Mrs. FULLER. No. Referring to your earlier comments that I was part of the group that created the job, I certainly didn't go far enough if I thought I would be a trustee, right? There was no discussion of salary, no budget. There has been no specific provision.

Senator MOYNIHAN. There is no salary and there is no budget or staff.

Mrs. FULLER. No. Yesterday, actually, you were very helpful in our discussion having raised these issues because we pursued them in the afternoon with people from the Department of the Treasury, since the Secretary of the Treasury is the Chairman of the Board of Trustees. We had very positive discussions with them about the need for us to work together to assess what sorts of resources we might need to fulfill our responsibilities in the appropriate way, whether it be full-time staff

or whether it be a budget that we could use to bring in outside resources on a periodic basis, as opposed to a full-time basis. And we are very confident that they will want to work with us in making sure that the appropriate measures are taken.

Senator MOYNIHAN. Mr. Chairman, I wonder if we shouldn't indicate that the committee would be interested in hearing from Ms. Jaffe and Mrs. Fuller as to what are the plans to provide some staff. If these very distinguished businesspersons were involved as trustees of a large private trust fund of some kind and all they were able to do was to arrive in town once a year and sign papers certifying the good condition, they wouldn't sign them. They wouldn't go near them. That is not the kind of persons they are. And we have to see that there isn't that sort of problem here. Absent any staff, they will not know more than they bring from outside. Without some budget or staff I don't think they will be doing the job we had in mind when we created these positions.

The CHAIRMAN. I agree with that, and I would think that we would have the cooperation of the Treasury. They are nodding yes. So, if we can't work it out without legislation, I assume we could do it the other way.

Senator MOYNIHAN. Yes. So, why don't we hear from them later on how they think it can be worked out?

The CHAIRMAN. So, after this hearing, Bruce Thompson, you might visit with the nominees and see if we can figure out some way to determine staff and compensation and whatever else they need because I certainly share the views expressed by Senator Moynihan.

Senator MOYNIHAN. Thank you, Mr. Chairman.

The CHAIRMAN. First of all, do either of you have any members of your family that you would like to introduce? Are all of these—You really drew a big crowd this morning. We want to commend you for that. [Laughter.]

I am certain they are here for no other purpose.

Senator MOYNIHAN. Mr. Chairman, I think it is only fair to tell these new trustees that when you are talking about medicare and things like that, the gallery is very thin. We are going to take up taxes on oil companies in a few minutes, and that is what all those people in the back are really there for.

Ms. FULLER. It is sad, but I understand.

The CHAIRMAN. The reason the oil companies come is that they are always the first ones taxed around here. So, they have to show up and defend themselves. [Laughter.]

But in the event you have anyone you would like to introduce, we would be happy to acknowledge their presence. I know your husband is here, Mary.

Ms. FULLER. Yes. My husband is here. I would like to introduce my husband, James Fuller. He is a director of the Securities Investors Protection Corp., so he was here on Washington business, and I am very happy to have him here.

The CHAIRMAN. Mary, do you have a statement to make at this time?

Ms. FULLER. Yes, I would like to make a brief statement.

STATEMENT OF MARY FALVEY FULLER, INDEPENDENT MANAGEMENT CONSULTANT, SAN FRANCISCO, CA

Ms. FULLER. First, let me say that I feel very honored to have been nominated for this position, and I am delighted to appear before the Finance Committee for the Senate confirmation hearings. I consider the job a very, very serious and challenging responsibility for two reasons. First of all, the Social Security program is our Nation's largest and probably the world's largest and most successful social program. It relies not only on continued financial discipline in its management of the trust funds but also the continued confidence of the American people. I believe that it is one of the responsibilities of the Board of Trustees to maintain surveillance over the balances in the trust funds and the trends as they are emerging and to provide for an orderly raising of issues so that the funds can be maintained in as balanced a way as possible and therefore that the confidence of the American people can be continually enhanced, restored, and maintained. I also consider it important, as Senator Moynihan mentioned, because it is the first of a new format, the format of having public members with private sector perspectives serving with Government officers on a continuing working relationship basis.

I am very excited about that opportunity because I think that bringing together the perspectives of the political and the policy areas with the skills and perspectives of the private sector has great potential in effective management of any program and certainly to start with this important and complicated program is very positive step. I am confident that my experience with the Social Security program, serving as a member of the national commission and prior to that on the 1979 advisory council, and my perspective on the issues—the tradeoffs, the characteristics of the program—will help in putting the data and the issues that come out of the data into a perspective that anticipates not just what the deficits or surpluses are likely to be in the funds, but also the ramifications for the constituencies that depend on these funds. In addition, my experience in the private sector in industries with heavy financial content and heavy administrative content—both characteristics are present in these programs—will give me the perspective needed to provide the objectivity that I think Congress had in mind in creating these two public positions.

So, I am hopeful that I will get to serve in this capacity and would greatly look forward to being an active and committed member of the Board of Trustees.

The CHAIRMAN. Thank you very much. I need to ask you a couple of questions before I make any other comment. Have you discussed any possible conflicts of interest with Rod DeArment?

Ms. FULLER. Yes, and there are none that I could find.

The CHAIRMAN. There is no reason that you know of that you cannot responsibly serve in the office to which you have been nominated?

Ms. FULLER. No reasons.

The CHAIRMAN. We have noted from time to time, particularly among young people, a lack of confidence in Social Security. I am not

certain what you may be able to do as trustees, but that lack of confidence was quite evident in all the data that we had in 1980, 1981, and 1982. I do believe that we did a fairly good job with the Commission's recommendations; Congress followed through. I am certain that it is not perfect legislation, but as a member of that Commission, I think you saw first hand the great interest there is in the Congress in that program. I would only suggest that adding public members was not done lightly, and I think you are going to have the full support of this committee, whoever may be in control here, and I would hope that you will come to us if there is any indication that you are not receiving the assistance you need to make an appropriate judgment. I feel certain that Treasury will work with you in this regard, although if necessary, we can provide assistance in legislative efforts.

Ms. FULLER. Thank you. The support of this committee would be extremely valuable in enabling us to obtain the resources we need to fulfill our role as trustees in a responsible manner.

Senator MOYNIHAN. Mr. Chairman, just a quick statement, if I may, in that context. You mentioned that the Secretary of the Treasury is Chairman of the Board of Trustees. However, since both Ms. Fuller and Ms. Jaffe come from the private sector, and the term Chairman of the Board might have a different context for you than I believe it is intended for us. I would like to ask both nominees if they understand that as trustees they are equal in status with any of the Government trustees? Is that your view, Ms. Jaffe?

Ms. JAFFE. Yes. I would assume that was the intent of the Commission.

Senator MOYNIHAN. Is that your understanding of the intent of the legislation, Ms. Fuller?

Ms. FULLER. Yes. That is my understanding as well.

Senator MOYNIHAN. Then go and do as you have been charged.

The CHAIRMAN. I would ask that my entire statement be made a part of the record, including the biographical material. Senator Moynihan alluded to it briefly. I know of no other questions. I know of no other inquires. Senator Long has no questions. What we will do, unless you object, we will try to approve your nominations. We will poll the committee, if there is no objection to that, and hopefully have it to the Senate early next week.

Thank you very much. We appreciate your coming, and we appreciate your serving. As indicated, we will follow your activities carefully.

Ms. FULLER. Thank you very much.

Ms. JAFFE. Thank you.

The CHAIRMAN. You know Bruce Thompson. I think he is going to give you your first check here in a minute. [Laughter.]

[Whereupon, at 10:03 a.m., the hearing was concluded.]

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